

(i) For transfer to the bonded premises of a distilled spirits plant for completion of distilling; or

(ii) As a by-product which would require expensive and complex equipment for the recovery of spirits.

(3) The waiver under the provisions of paragraph (a)(2)(ii) of this section is further conditioned that such mixture would:

(i) Be destroyed on the premises where produced; or

(ii) Contain a minimum quantity of spirits practicable with the procedure employed, not be subjected to further operations solely for the purification or recovery of spirits, and be found by the appropriate TTB officer to be as nonpotable and at least as difficult with respect to recovery as completely denatured alcohol.

(b) *Application for waiver.* (1) When the producer of nonpotable mixtures desires to secure a waiver of designated provisions of 26 U.S.C. Chapter 51, or this part, he shall file an application with the appropriate TTB officer.

(2) The application shall include, as applicable—

- (i) Name and address of producer;
- (ii) Chemical composition and source of the nonpotable mixture;
- (iii) Approximate percentages of chemicals and spirits in the mixture;
- (iv) Method of operation proposed;
- (v) Bonded premises where the mixture will be distilled; and
- (vi) Other pertinent information required by the appropriate TTB officer.

(c) *Approval.* If the appropriate TTB officer finds that the waiver of the requirements, or any of them, will not jeopardize the revenue and will not unduly hinder supervision of the operations, he may approve the application under such terms and conditions as he deems advisable and subject to the furnishing of any bond which he deems necessary.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-271 53 FR 17543, May 17, 1988]

§ 19.68 Other businesses.

The appropriate TTB officer may authorize the carrying on of other businesses (not specifically prohibited by 26

U.S.C. 5601(a)(6)) on premises of plants if he finds that those businesses will not jeopardize the revenue, hinder the effective administration of this part, or be contrary to law. The authorization will designate the premises (i.e., bonded or general) on which such other business is to be conducted.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1353, as amended (26 U.S.C. 5178))

§ 19.70 Exemptions to meet the requirements of National defense.

The appropriate TTB officer may temporarily exempt proprietors from any provision of the internal revenue laws or this part relating to spirits except those requiring payment of tax thereon whenever in his judgement it is expedient to do so to meet the requirements of the National defense.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1397, as amended (26 U.S.C. 5561))

§ 19.71 Experimental or research operations by scientific institutions and colleges of learning.

(a) *General.* The appropriate TTB officer may authorize any scientific university, college of learning, or institution of scientific research to produce, receive, blend, treat, test, and store spirits, without payment of tax, for experimental or research use but not for consumption (other than organoleptic tests) or sale, in quantities as may be reasonably necessary for such purposes. The appropriate TTB officer may waive any provision of 26 U.S.C. Chapter 51 (other than 26 U.S.C. 5312), or this part (other than this section) to the extent necessary to effect the purposes of 26 U.S.C. 5312(a), except he may not waive the payment of any tax on distilled spirits removed from any university, college, or institution. A person conducting experimental or research operations authorized under this section is subject to special (occupational) tax under subpart Ca of this part and shall hold a special tax stamp to cover the experimental or research operations.

(b) *Qualification.* Any university, college, or institution desiring to conduct any of the experimental or research operations listed in the preceding paragraphs shall make written application,